

~~CONFIDENTIAL~~

## THE CHINESE COMMUNIST PEOPLE'S COMMUNES

1. One of the most far-reaching social reorganizations of modern times is under way in Communist China, where new social and economic organizations called "people's communes" are being established. Rural communes are formed by merging the older collective farms into larger units, a move in violation of last fall's central committee resolution which provided that the size of collectives should be limited and then fixed for ten years. The prototype commune, called the "Sputnik," was formed last April, but it was not until July and August that Peiping began to give intensive publicity to the subject.

2. The leadership's motives for pushing the drive almost certainly include economic ones--to increase production and limit consumption--as well as political and sociological ones, to enhance party control and foster a "new way of life." Peiping argues that the commune is better suited to meet present demands for more manpower and investment capital and for the communalization of daily living.

3. The politburo resolution in late August advised against "undue haste" in forming communes but, only a month later, over 90 percent of the nation's farm households had reportedly been enrolled. Some 750,000 collectives are said to have been merged

~~CONFIDENTIAL~~

CONFIDENTIAL  
-2-

into 23,384 communes, and Peiping observes that the speed and scope of the movement has exceeded that of the "high tide" of cooperativization in late 1955.

4. The commune controls not only agriculture, but industrial, commercial, cultural, and military affairs as well. Although the People's Daily has noted a "tendency" to link communes into "federations" within county boundaries or to embrace entire counties, the present commune is in general equal in size to a township, and as such is much larger than the collectives it replaces. The structure of the township government and the commune administration are identical--they have the same chief, the same party secretary, and the same people's congress, and the people's council of the township is the administrative committee of the commune.

5. Under this committee are the various commissions--planning, technology, and supervision are usually included--and departments--covering such fields as agriculture, commerce, finance, education, and military affairs--which actually run the commune. Under these in turn are the various production teams for industry and agriculture, which in many cases are the old collectives under a new name.

6. Once organized the communes generally take over all property, common funds, and reserves of the collectives, and some of the liabilities. The commune strikes at the remaining

CONFIDENTIAL

---

vestiges of private property by absorbing privately held plots, orchards, and some domestic animals.

7. Early communes began by paying members on a "wage-plus-reward" system. This was a striking innovation, replacing the twice-yearly payments in kind to collective members calculated on the basis of workdays valued as a portion of collective income. The commune member gets a straight monthly wage in cash. Wage earners in the commune are classified for pay purposes into a number of categories based on physical power, technique, intensity of work, and "work attitude." Bonuses are distributed--usually to only 40-60 percent of the members--on the basis of such criteria as "progressive thinking, work enthusiasm, obedience, love of public property, and struggle against evil persons. Those lacking these traits get no share in some 20-25 percent of the commune's wages.

8. More recently, the trend has been toward the "gradual adoption of a "wage-plus-supply" system, under which members are provided, in addition to a wage, "free" staples like rice or wheat. Chairman Mao has encouraged the spread of this system, suggesting that it need not stop at basic foodstuffs, but might be broadened to include other necessities such as clothing. Some communes have gone so far as to include luxuries in the supply system, probably on the grounds that the leadership can easily suppress "inappropriate desires." Peipang has indicated

**CONFIDENTIAL**

-4-

that the supply aspects of the system are based on the Marxist principle, to each according to his need,

9. Under either system, the commune member will perhaps recognize one hang-over from the past--the fact that the interests of the state come first. Peiping does not hide the fact that it expects better mobilization of rural capital through the communes. Their size will permit the accumulation of a larger capital fund in one place. Insofar as production is increased and consumption reduced, the rate of capital formation will be increased. Some early communes have reported marked success in this respect. The Sputnik Commune estimates that 30 percent of its income this year will be channeled into its public fund. This compares with a national average of around 20-22 percent.

10. In the communes, rural supply and marketing co-operatives become departments which, under the leadership of state commercial departments buy and sell for the commune and set up branch sales--and presumably purchasing--centers throughout the commune. Old credit co-operatives become credit departments. Under the professional leadership of the state bank, they accept deposits from members, regulate the floating capital of the commune, extend loans to production teams on behalf of the state bank, and settle monies accounts with other communes.

**CONFIDENTIAL**

CONFIDENTIAL

-5-

11. The authorities in Peiping have not yet come to grips with all the financial problems this rural reorganization will bring. The first notable public commentary on this aspect of the communes was in a letter from the finance minister to the theoretic journal Red Flag. He noted that the communes will inevitably bring a decrease in commodity exchange, and that the present tax structure, which leans heavily on revenues extracted from this exchange, is no longer "suitable." He offered no solution in his letter. However, the Spentail Commune says it has taken over the responsibility of paying an "overall tax" to the state, including taxes on agriculture, industry, and trade. It has also assumed responsibility for delivering agricultural products to the state in accordance with regulations.

12. The communes will help further the regime's demands for fuller and better use of rural labor, both men and women. Labor will be organized along military lines and will tackle its tasks as an "army fights a battle." With its centralized control of the township's labor force, the commune can plan larger projects than were possible under the old system and marshal the labor force necessary to carry them out. It will be possible to shift labor more freely between agriculture and industry.

CONFIDENTIAL

-6-

13. The social changes the communes bring to Chinese village life will, in the long run, probably far outweigh the economic. Plainly, the leaders in Peiping intend to create what Red Flag has called a 'new way of life' through the organization of communal mess halls, housing, nurseries, schools, and other 'amenities.'

14. Communal mess halls have so far received more stress than other aspects of the new life. Peiping has pointed out that not only do they help restrict 'excess' consumption--one mess hall entirely eliminated 'excess' consumption three days after it opened--but also they free the housewife to work in field or factory. By speeding up the eating process, they permit the workers to spend more time on the job; one commune reported that each person put in three extra hours a day in the fields after its mess hall opened. Finally, political cadres and activists have noted the advantage of having the whole production unit assembled in one place to receive 'instructions and explanations.'

15. Party Secretary General Teng Hsiao-ping has publicly stated the regime's intention eventually to relocate all housing. 'Residential areas in rural regions,' he said, 'will come to look like beautiful cities.' The regime has already begun what may be a slow process of tearing down old houses and using the

CONFIDENTIAL

CONFIDENTIAL

-7-

materials to build large, barracks-like dwellings which will be home to the communalized Chinese peasant. This aspect, together with the communal mess halls, will bring him a highly cellular existence. He will be inextricably tied to his particular production unit, and will work, sleep, eat, study, and relax with his co-workers. There will be no place to hide.

16. The regime has suggested that the break-up of the traditional Chinese family is a primary objective of the communal system, which seems well designed to achieve this. Wages are being paid directly to the individual wage earner rather than to the head of the household. Husbands and wife may be separated by work assignments in distant parts of the commune. Children are in communal nurseries or schools, and the regime has strongly indicated its preference that these should be run as full-time boarding installations.

17. At one school operated in this manner, it is said that the children "no longer think about their homes." Even when the family is re-united, it will most likely be at a communal meal, in a communal barracks, or at a communal meeting. This destruction of the old patriarchal Chinese family will not come easy for the Communists, especially in South China, where the family and the family gods are especially well entrenched, and Peiping admits that the family probably will exist for a "long time."

CONFIDENTIAL



CONFIDENTIAL

-8-

18. Measures such as these seem designed also to facilitate the total regimentation of all Chinese behind the regime's programs and their complete submission to its authority. There will be a further extension of an already pervasive political control. An important instrumentality of this will be the commune's militia, only a small and rigidly select part of which will be armed. It will serve as the state's internal security police in rural areas.

19. An ancillary effect will possibly be a drop in the rate of population growth, which last year reached 2.5 percent. The brake which these social factors put on population growth will be in addition to whatever can be achieved through birth control techniques such as contraception, abortion, and sterilization.

20. The Chinese Communists have frequently suggested that in the event of a wholesale nuclear war the country with the greatest and most widespread population will stand the best chance for survival as a national unit. Both Mao Tse-tung and Chu Te have spoken of the need to have 'relatively complete industrial systems' providing diversified goods in various parts of the country. The commune will emerge as an almost self-contained unit with its own administration, agriculture, industry, education, and military system. These units might well

CONFIDENTIAL



~~CONFIDENTIAL~~

reduce the vulnerability of the local control structure and permit it to continue even when cut off from central authority.

21. Recent statements by top leaders make it plain that cities and industrial regions are expected to follow the example of their rural cousins. Some months ago, the press cited instances of the formation of urban collectives to release women from the "burden" of housework for work in mills and factories. Communal kitchens and nurseries followed. Then, in September, Chairman Mao directed that large plants like the Wuhan Iron and Steel Works should gradually turn themselves into integrated enterprises which turn out a variety of industrial goods and embrace agriculture, exchange, culture, and military affairs.

22. Teng Hsiao-ping, while on a recent tour in the northeast, listened to reports on experimental work being done there on urban communes. Applauding the idea, he encouraged the City of Saiping--about 140,000--to go ahead with the organization of such a city-wide commune.

23. More recently the People's Daily, commenting that the old social life in cities, factories, and mining districts is "incompatible" with current needs, approved the "growing pressure" for the establishment of urban communes. It called attention to the "readjustment" of workers' housing at a coal mining site in Shansi, where the housing has been reallocated

~~CONFIDENTIAL~~

-10-

on the basis of production teams and their accompanying party and administrative superstructure. Widespread adoption of this step, the daily argued, will "drastically improve" the relations between the leaders and the masses, free workers' dependents of "burdensome" housework, rid the teams of "undesirable characters," and lead to rapid production increases. Such a step, the daily concluded, must be taken "sooner or later."

24. Some non-Communist observers have reported that Chinese peasants are 'cheerfully' accepting communal life--not an entirely unexpected development at this early stage in the program. Conditioned to submitting to the will of the state by a harsh series of "counterrevolutionary" campaigns during the first years of the regime, the populace was further prepared for communalization by the recently concluded 'rectification' campaign of 1957-58. However, there have been hints in the Communist press that the program has met with some resistance.

25. Obviously a number of very pressing problems will follow from this far-reaching social reorganization. Some have already begun to crop up, including a problem which has plagued--but not prevented--earlier reforms introduced by Peiping. This is the perennial problem of the comparatively well-to-do peasant.

26. Like the collective system before it, the commune in effect penalizes the more efficient producers by taking all but

**CONFIDENTIAL**

-11-

a bare minimum away from him. In the case of communes, the problem is magnified since now it is entire villages or co-operatives which have to sustain the less efficient ones. It is questionable how long Peiping can go on penalizing its better farmers without destroying their incentive to excel.

27. The system certainly concentrates tremendous power over details of daily life in the hands of a few. Cases of resentment have already arisen in the assignment of work grades and wages. The loss of private plots, orchards, livestock, fowl, and other holdings, as well as of house and home will of course not please everyone. The degrading of the peasant from the status of part owner to hired hand will not be popular, nor will the introduction of an almost monastic way of life, with hard work, little food, strict military discipline, and only two days off a month.

28. On the other hand, most peasants may be willing to accept communal living for the time being. Accustomed as they are to very little, they may welcome the security of guaranteed food, shelter, and clothing, as well as provisions for medical care, education, and entertainment. It is probably the breakup of the family system that will become the crucial issue for the Communists.

-12-

29. Economically, it is doubtful that the mere reorganization will of itself have any great effect on agricultural output. It will bring greater intensity of labor but the regime has certainly heavily exploited this aspect in the past. Benefits will accrue from the better maneuverability of labor in the communes and the larger capital funds made possible by the size of the communes. Some assistance can be expected in the furthering of advanced farming techniques, but large-scale farming will still have to wait for Chinese industry to produce the needed machinery.

30. Small-scale industry, which the communes will in many cases be taking over, is expected to add significantly to national output--more so in quantity than in quality--but this is the fruit of another program.

31. The full burden of the communal status will probably be felt only after some years. The communes constitute Mao Tse-tung's greatest gamble, and there seems at least a possibility that this time he has asked more of the human material than it can stand, and that there will eventually be an explosion.

32. Peiping is claiming that communes will provide China with a good form of organization to speed up socialist construction and the transition to Communism. Such statements seem to imply that Peiping, while still engaged in "building socialism," is already taking steps along the road to Communism and is thus

CONFIDENTIAL

~~CONFIDENTIAL~~

-13-

approaching the status of the Soviet Union. In general, Peiping gives the impression that the advance to Communism is a long-range goal, stating, for instance, in the authoritative Red Flag that it is not appropriate to "strain" to advance from socialism to its higher phase. At times, though, Peiping has sought to give the impression that the transition to Communism is such *greater* *near*.

33. The Chinese Communists are presenting Mao Tse-tung's concept of the commune as a creative development of Marx and Engels, citing specifically the last two points of the Communist Manifesto: "combine agriculture and industry and facilitate the gradual elimination of distinction between town and country"; and "combine education and material production." In outlining a specific way of life under Communism, the Chinese, although basing it on accepted dogma, have advanced beyond Soviet theoreticians. The apparent Soviet coolness to the idea is reflected in Moscow's last of comment.

34. Aside from doctrinal considerations, Moscow may also be concerned over the effect of the Chinese communes on the European satellites. The Yugoslavs have characterized communes as a combination of Stalinism and feudalism and have emphasized Peiping's presentation of them as the basic organizational form of coming Communist society in China. Eastern European Communists have reportedly been taken aback by Peiping's assertion that this

~~CONFIDENTIAL~~